



FOREIGN EXPERIENCE IN DEVELOPING TYPES OF PERSONAL INSURANCE

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Abstract:

This article analyzes best practices in developing personal insurance types in leading countries around the world. In particular, the institutional framework, regulatory mechanisms, and innovative approaches of personal insurance types such as life insurance, health insurance, and accident insurance in the United States, Germany, Japan, and other countries will be studied. It also provides suggestions on the possibilities of applying foreign experience in the conditions of Uzbekistan and solutions to existing problems.

Keywords: Personal insurance, international experience, life insurance, health insurance, industry innovations, institutional development.

INTRODUCTION

Today, the insurance market is becoming increasingly important as an important component of national economies. The role of personal insurance in ensuring the well-being, social protection and financial stability of the population is incomparable. Many countries around the world are improving the quality of life of their populations through the systematic development of this sector. Especially in developed countries, life insurance, health insurance, and other personal insurance products are widely used in the daily lives of the population[1,2]. In-depth study and analysis of international experience is an important factor in modernizing the insurance system of Uzbekistan and implementing modern approaches to the industry. This article aims to study the development trends of personal insurance types abroad, the mechanisms used, and their socio-economic effectiveness, and highlights the issues of adapting advanced approaches in this area to local practice. Personal insurance is a means of financial protection of a



person's life, health and work capacity, and these types have been working effectively in developed countries for many years. Based on foreign practice, there are several main factors in the development of this area:

Legislative framework and regulation. In developed countries, laws regulating personal insurance activities are well-developed. For example, in the USA, each state has its own independent body that supervises insurance companies and ensures the protection of the interests of customers.

Market players and product diversity. Insurance companies offer their customers a wide range of products, including life insurance, health insurance, and disability benefits. Their services are also being delivered through digital platforms.

Insurance culture and public confidence. In countries such as Japan and Germany, the insurance culture is high, and insurance is perceived by the population as a necessity, not an obligation. This ensures active participation in the market.

METHODOLOGY

In preparing this scientific article, analytical and comparative methods were used based on a systematic approach. The research was carried out using the following methodological approaches:

The stages of development of the personal insurance system in foreign countries (such as the USA, Germany, Japan, and the UK), institutional structures, legislative frameworks, and market trends were studied in depth and analyzed based on available statistical data. A comparative analysis of Uzbekistan's personal insurance system with the experience of developed countries was conducted. This approach identified the strengths and weaknesses of the approaches used in each country and assessed their applicability in the national context. During the research, existing scientific literature, monographs, scientific articles, and analytical reviews of foreign experts were studied. Based on the



results, practical proposals that can be applied in the conditions of Uzbekistan were developed.

RESULTS AND DISCUSSION

In recent years, the insurance market in Uzbekistan has been developing rapidly, emerging as an important financial institution in the country's economy. The insurance market volume showed a consistent growth trend between 2017 and 2024. In particular, the total volume of insurance premiums in 2023 exceeded 4.5 trillion soums, which indicates the economic efficiency of this sector and the increased demand for financial services among the population. The development of the insurance sector ensures economic security by strengthening the financial stability of the population and business entities [3,4]. An increase in the volume of insurance premiums not only expands the financial resources of industry participants, but also creates an opportunity to attract them to capital markets.

Table 1. Personal insurance market indicators in developed countries¹

Countries	Life insurance coverage (%)	Health insurance coverage (%)	Insurance premiums (per year, \$/person)	Digital services share
USA	70	91	4800	85
Germany	65	99	4200	78
Japan	89	100	3900	70
Great Britain	62	95	3800	82
Uzbekistan	7.5	12	12	5

1. Analysis of life insurance coverage (%). In developed countries, life insurance covers a large part of the population. For example, in Japan, this figure is 89 percent, which means that the population is almost fully insured. In the USA, life insurance coverage is 70 percent, which is also a very high figure. In Germany, this figure is 65 percent, and in the UK, it is 62 percent. In contrast, in

¹ prepared by the author based on analytical data



Uzbekistan, the level of life insurance is only 7.5 percent. This indicates that there is still great potential for development in this area.

2. Analysis of health insurance coverage (%). Developed countries also have high indicators in the field of health insurance. Japan has achieved full health insurance coverage - 100 percent. In Germany, this figure is 99 percent, in the UK - 95 percent, and in the USA - 91 percent. These figures indicate that the majority of the population is covered by health insurance. In Uzbekistan, this figure is only 12 percent. This is a very low figure, indicating that the health insurance system is not sufficiently developed among the population.

3. Analysis of insurance premiums (per year, \$/person). The amount of insurance premiums indicates the demand for this service in countries and its economic level. In the United States, each person pays an average of \$4,800 per year for insurance. In Germany, this figure is \$4,200, in Japan \$3,900, and in the United Kingdom \$3,800. In contrast, annual insurance premiums in Uzbekistan are only \$12. This indicates a low level of confidence in insurance or limited financial capabilities of the population.

4. Analysis by share of digital services (%). Developed countries are widely using digital technologies in the provision of insurance services. In the USA, 85% of insurance services are provided digitally. In the UK, this figure is 82%, in Germany 78%, and in Japan 70%. In Uzbekistan, the share of digital insurance services is only 5%. This is a very low figure, indicating either underdeveloped digital infrastructure or weak demand for these services.

Differences in insurance coverage

Developed countries, particularly the United States and Japan, are leaders in insurance coverage. In these countries, life and health insurance cover a large proportion of the population. The combination of the private and public sectors in the insurance systems of these countries plays an important role in achieving this [5,6]. They offer a variety of flexible tariffs and services to the population, which contributes to the widespread use of insurance.



Financial approach

Although insurance premiums are relatively high in developed countries, they are within the financial capabilities of the population. Most citizens can afford to pay annual premiums in the tens of thousands of dollars. In addition, subsidies and benefits provided by the state to the population help to alleviate this burden. In this way, the involvement of the population in health and life insurance is ensured by financial stability.

Technological development

The digitalization of the insurance system has reached a new level in developed countries. Online services, mobile applications, and electronic contract conclusion systems are widely used. Citizens independently select insurance policies via the Internet, sign contracts, and make payments remotely [7]. This technological approach creates convenience for customers and paves the way for the popularization of insurance [8].

Uzbekistan's experience

In Uzbekistan, the insurance market is still in its infancy. A large part of the population does not have sufficient information about the essence and benefits of insurance, which leads to a low level of use of these services. The lack of an insurance culture, economic factors and the weakness of digital services are among the existing problems. Therefore, large-scale information and propaganda work, increasing financial literacy and introducing modern technologies are necessary in the country.

Compared to developed countries, the personal insurance market in Uzbekistan is still in its infancy. The level of coverage, premiums, and the share of digital services are low, and comprehensive reforms, increased financial literacy, and the introduction of modern technologies are needed to develop this sector.

CONCLUSION AND SUGGESTIONS

1.Modernize legislation: It is necessary to introduce robust control systems, similar to those in foreign countries.



2. **Increasing insurance literacy:** Strengthening public awareness and conducting explanatory work through social media videos.

3. **Introduction of digital technologies:** Encourage insurance companies to provide services through mobile applications.

4. **Reforms based on public-private partnerships:** The provision of subsidies and benefits by the state will increase participation among the population.

The results of the study show that the successful formation of a personal insurance system in developed countries is ensured by a number of factors - a strong institutional base, a high insurance culture, effective state control and innovative technologies. Life, health and other personal risk insurance is considered in these countries not only as a means of financial security, but also as a means of social stability.

In conclusion, it can be said that by flexibly applying foreign experience, it is possible to ensure the stable and rapid development of personal insurance types in Uzbekistan. This will serve to increase the well-being of the population and strengthen financial stability in the economy.

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